GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:3370
ANSWERED ON:22.12.2008
INVESTMENT IN IT SECTOR
Singh Shri Rakesh

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government has formulated any scheme to promote investment in the Information Technology sector in the country;and

(b) if so, the details thereof?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY(SHRI JYOTIRADITYA M. SCINDIA)

(a) and (b): Yes, Sir.The Government has approved a scheme to create Information Technology Investment Regions (ITIRs).A Gazette Notification has been issued in the Gazette of India (Extraordinary) vide No. 7(5)/2006-E.Infra dated May 29, 2008.The scheme envisages to establish Information Technology (IT),Information Technology Enabled Services (ITES) and Electronics Hardware Manufacturing Units (EHMs) including related services and infrastructure.Each ITIR is expected to be a specifically notified investment region with a minimum area of 40 kms.ITIR's are to be identified by the respective State Government.The responsibility of the State Government is to ensure that all physical infrastructure and utilities within its jurisdiction(power, water, roads, transportation, sewerage and effluent treatment facilities) are provided.The Government of India will facilitate development of National Highways, Airport and Rail links to the ITIRs.

To encourage investments for setting up Semiconductor Fabrication and other micro and nano technology manufacturing industries in India,Special Incentive Package Scheme (SIPS) was announced by the Government on 21st March, 2007.The scheme is open upto 31st March,2010.Central Government or any of its agencies can provide incentive of 20% of the capital expenditure during the first 10 years for the units in Special Economic Zone (SEZ) and 20% of the capital expenditure for non-SEZ units.Non-SEZ units shall be exempt from Counter Veiling Duty (CVD).Units may claim incentives i n form of capital subsidy and/or equity as per provisions mentioned in the gazette notification dated 21.3.2007 for SIPS.